NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR

DRIVER'S LICENSE NUMBER.
Producers 88 (4-89) — Paid Up
With 640 Acres Pooling Provision
STANDARD LEASE v.5

## PAID UP OIL AND GAS LEASE

(No Surface Use)

	12.41				
THIS LEASE AGREEMENT IS		day of Juli	-	, 2008, by and between	
nouph Eugene M	Iller, a sina	E PENSON	<i>,</i>		
whose addresss is 781377	ickardson st	CEE+ FINT 11)	10rth TEXCIS 70	0119	as Lessor,
and, <u>Durit Litolicu</u> i Ligenvice:	3. L.L.U., 2700 KOSS Avenu	ie. Suite 1870 Dallas T	exas 75201, as Lessee All printed	nortions of this lease were or	epared by the party
nereinabove named as Lessee, but 1. In consideration of a cas	All other provisions (including In bonus in hand naid and	g the completion of blank the covenants herein co	spaces) were prepared jointly by Le	essor and Lessee.	essee the following
described land, hereinafter called le	ased premises:	ale covening liefelli (o	mained, Lessor Releby Grants, leas	ses and lets exclusively to D	essee the iollowing
					<b>—</b>
OOO_ACRES OF LAN	ID, MORE OR LESS,	BEING LOT(S)	6	, BLOCK	27
QUT OF THE ( LICIN ) $^{\circ}$	butheost		ADDIT	ION, AN ADDITION TO	THE CITY OF
FORT WORTH	, 7	FARRANT COUNTY	Y, TEXAS, ACCORDING TO	) THAT CERTAIN PLA	T RECORDED
IN AOLOME 282	, PAGE	OI	F THE PLAT RECORDS OF	TARRANT COUNTY,	TEXAS.
	1.1				
in the County of Tarrant, State of	TEXAS, containing(	olo gross acres	, more or less (including any interes	ts therein which Lessor may f	ereafter acquire by
reversion, prescription of otherwise substances produced in association	), for the purpose of explori	ing for, developing, prod	lucing and marketing oil and gas, a ons). The term "gas" as used her	long with all hydrocarbon and	d non hydrocarbon
commercial gases, as well as mydit	ocardon dases. In addition i	lo the above-described is	eased premises, this lease also covi	llems are bre sprilens and any small	etrine or nareale of
rang now or treferriter owited by Fet	BSOF WAICH ARE CONLIGUOUS OF	r adjacent to the above-r	described leased premises, and, in of for a more complete or accurate de-	rancideration of the aforemen	dianed cash honus
of determining the amount of any sh	ut-in royalties hereunder, the	number of gross acres a	nor a more complete or accurate des above specified shall be deemed con	scription of the land so covere rect, whether actually more or	ia. For the purpose less.
				1 (	
<ol><li>This lease, which is a "paid as long thereafter as oil or gas or ot</li></ol>	her substances covered here	als, shall be in force for a shy are produced in pavir	primary term of <u>FOC1</u> ng quantities from the leased premis	( 4 )years from the c	date hereof, and for
on et wise manuamen in ellect brish	ant to the provisions bereaf				
Royalties on oil, gas and o separated at Lessee's separator factors of the second lesson at the wellhead or to Lesson.	Iner substances produced a lities, the royalty shall be T	ind saved hereunder sha TT €n }+1 - 1-11 }= ↓	If be paid by Lessee to Lessor as for	ollows: (a) For oil and other I	Iquid hydrocarbons
Essential Management of the Lesson	s credit at the on northaners	s transportation facilities	ant aved lieds doped I ledt hobwing	a continuido riablito nurchara	nuch production of
the wellhead market price then prevailing price) for production of	/alling in the same field (or :	if there is no such nice.	then prevailing in the same field. It	on in the percent field in whi	ich thara le euch a
	ケー (ノコー %) OT The	Droceeds realized by La	osean from the eals thereof less	a proportionale part of ad a	colorena laves sed
broggoggi, actoration, at other exci	se laxes and the costs incur	iteo dy Lessee in neliven	ina processina or otherwise markat	ling euch gae ar athar auhatar	neog provided that
Lessee shall have the continuing rigino such price then prevailing in the	Same neid, then in the hears	est field in which there is	such a provailing price) purculant to	comparable purabase contra	ata antored into an
me some or mearest breceditif hafe	as the date on which lesses	8 COMMences its nurchas	ses becaunder and (c) if at the end a	of the orlinear term or now tim	a thoroafter and or
more wells on the leased premises of are waiting on hydraulic fracture stim-	of lands pooled therewith are	capable of either produc	cina oil or agg or other substances o	overed hereby in paying numb	dition or such walls
ne decined to be highlighly to bayin	a quantilles for the burbose.	of maintaining this lease	If for a period of 90 consecutive o	tave euch wall or walle are ch	sul in or production
there from is not being sold by Less Lessor's credit in the depository des	see, wen Lessee shall day s	Shut-in rovally of one dol	llar ner acre then covered by this to	asse such asympatite he ma	de to Leecor or to
Williams are stated in the state of the stat	production there from is not	Deing sold by Lessee: nr	nvided that if this lesse is otherwise.	baing maintained by approlin	ne or if production
is being sold by Lessee from anothe following cessation of such operation lerminate this lesses	ar well of wells on the leased	d premises or lands nook	ad tharawith, no chut in roughty chal	ll be this until the end of the t	OO day paried pare
Commente una legate.					
4. All shut-in royalty payments be Lessor's depository agent for receivers	under this lease shall be partition of the partition of t	aid or lendered to Lessor	or to Lessor's credit in <u>at lessor's</u>	address above or its succe	essors, which shall
be Lessor's depository agent for rece draft and such payments or tenders address known to Lawren shall good	IO Lessor of to the denositor	ry hy denosif in the HS M	laile in a stamped envolope address	and to the depositors or to the	I none of the lest
Graneso known to respect airdii COMB	ulule proper payment. Ir the	i depository should liquid:	ale of he succeeded by another incl	litution, or for any rosens fail a	ar robina la accept
payment hereunder, Lessor shall, at 5. Except as provided for in Pa	alagiapii J. adove. II Lessee	l drills a well which is inco	anable of producing in paving guardi	ilies (hereinafter called "dry be	alob) on the leased
biguinges of jeures hooled flight-Mkill	OF IT All production (whethe	tosion noivea di 100 10 1	ung mmi sesses vitaensman (seiti	couse including a revision :	of unit boundaries
pursuant to the provisions of Parag nevertheless remain in force if Lesse on the lessed premises of lands people	e cummences operations to	f feworlding an existing w	ell or for drilling an additional well o	r for albonying obtaining or re	atorina production
on the leased prefiliaes of latins pool	ieu ilielewiin wilnin 90 gavs	after completion of opera	alians on such day bala ar within Off a	dave after such correlion of a	If production If at
operations reasonably calculated to o	obtain or restore production (	3 is not otherwise being berefrom, this lease shall	maintained in force but Lessee is the tempin in force so long as any one.	hen engaged in drilling, rewo	rking or any other
THE COSCUOIT OF THOME WALL BY COME	culive days, and it any such	Oberations result in the	production of all or age or other cut	hetoricae covered haroby as	lang thereafter an
there is production in paying quantitie Lessee shall drill such additional well to (a) dayelon the leager progression	s on me leased bremises or	lands booled therewith a	s a teasonably prodent boorstor wou	ald drill under the same or sim	ilar alreumalanean
to (a) general the leaved highlight 9	as to formations then capabi	ie of producina in pavina	l augnifies on the legged premises	or lands pooled therewith or	(b) to protect the
additional wells except as expressiv p	o uramage by any well or we provided herein.	ells located on other land	is not pooled therewith. There shall	be no covenant to drill explor	ratory wells or any
<ol><li>Lessee shall have the right</li></ol>	but not the obligation to poo-	of all or any part of the le	ased premises or interest therein w	ith any other lands or interest	is, as to any or all
proper to do so in order to prudently	ii substances covered by the develop of operate the lease	is lease, either before or if premises, whether or n	after the commencement of production similar production authority exists with a similar production and a similar producti	ction, whenever Lessee deen	ns it necessary or
and formed by such pooling for all off	i well which is not a horizont	'Al COmpletion shall not e	YCAACI RD accae nine a mayimum aci	regge interance of 10%, and I	for a gan well or o
completion to conform to any well spa	o oso acres plus a maximum scing or density pattern that :	t acreage tolerance of 10 may be prescribed or ne	'%; provided that a larger unit may be rmitted by any governmental authori	e formed for an oil well or gas	well or horizontal
or are rorogonia, are terms on well a	aliu das well snali bave the	a meaninge proecribed by	y goolicable law or the appropriate r	novemental authority or it.	na dataitina in an
prescribed, "oil well" means a well will feet or more per barrel, based on 2 equipment; and the term "horizontal	u an minar das-on fairo of les	85 (ban 100 (100 cubic foo	it not harrof and "age well" means a	unall with an initial one oil ratio	and done none auchia
adaptions and ore term indizonital	COMPRESSION MEANS AN OWN	Well in Which the honzol	nial component of the arese compl	lation interval in facilities or .	ocuivalent testine
equipment; and the term "horizontal component thereof. In exercising its Production, drilling or remotion appears	completion means an oil wi	Bil in Which the horizonta	i component of the orace completic	on interval in the constructs over	amada the sedical
, reasoners, arming or reworking open	iauons anywhere on a iinii '	Which includes all or an	v nort of the leagert premises shall	he treated as if it were proc	tuolion drittina or
reworking operations on the leased p net acreage covered by this lease as	ternises, except that the oro	aliction on which Lecent'	e roughty is esterolated chall be that a	proportion of the total unit are	duction which the
coocc. I boing in one of more mare	inces shall not exhaust Less	188's booling rights bereu	inder and Lessee shall have the rec	curring right but not the obliga	tion to roving any
and refused nevertibes by expansion	OF CONTRACTION OF DOIN, either	or belore or after comme	ncement of production, in order to a	conform to the well enseine a	or depoits outtorn
prescribed or permitted by the govern making such a revision, Lessee shall	nie or record a winnen gecia	ifailon describing the revi	sed unit and station the affective do	its of regision. To the extent of	now portion of the
repace brentiaga is treatined that exch	luded from the unit by virtue	Of Such revision, the pro-	portion of unit production on which r	nualtice are navable baround:	ar shall thecastler
pe colored accordingly. It the attent	ice di production in daving di	Danities from a unit, or o	pon permanent cessation thereof, Lo der shall not constitute a cross-conve	accae may forminate the unit.	by filing of record

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises.
- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly of separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferse to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

  9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any deaths or some there under any portion of the area covered by this lease as to a full or undivided interest in released.

the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

- If Lessee releases all or an undivided Interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shul-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

  10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the anciliary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the t
- now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

  11. Leasee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Leasee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease, receives a bona file offer which Lessor is willing to accept from any party offering to purchase from any party offering to purchase from expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price and all other pertinent terms and conditions of the offer. Lessees, for a period of lifteen days after rece

- time after said judicial determination to remedy the breach or default and Lessee tails to do so.

  14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

  15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

  16. Notwithstanding anything contained to the contrary in this lease. Lessee shall not have any rights to use the surface of the leased premises for drilling or other
- Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations
- 17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original. DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotilations. Lessor understands that these lease payments and terms are final and that Lessor antered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotilation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to after the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

LESSOR (WHETHER ONE OR MORE)	
By: Platph Killer	Ву:
STATE OF LEXCIS	CKNOWLEDGMENT
This instrument was acknowledged before me on the 30 by: halph Elyeve Milky 0 3100 Pe	day of July , 2008,
KISHA G. PACKER POLK Notary Public, State of Texas My Commission Expires April 15, 2012	Notary Public, State of XXC15  Notary's name (printed): Notary's commission expires:
STATE OF	day of, 2008,



## DALE RESOURCES 3000 ALTA MESA BLVD STE 300

FT WORTH

TX 76133

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration: 08/13/2008 08:30 AM
Instrument #: D208316179
SE 3 PGS \$20.00

By:

D208316179

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